

5/31/78

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 5/31/78;
Container 78

To See Complete Finding Aid:

http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf

THE PRESIDENT'S SCHEDULE

Wednesday - May 31, 1978

8:00 Meeting with His Excellency Bulent Ecevit,
(45 min.) Prime Minister of the Republic of Turkey.
(Dr. Zbigniew Brzezinski) - The Cabinet Room.

9:00 Meeting with His Excellency Giulio Andreotti,
(15 min.) President of the Council of Ministers of the
Italian Republic. (Dr. Zbigniew Brzezinski).
The Cabinet Room.

9:22 Depart South Grounds via Motorcade en route
Department of State.

9:30 Third Session, North Atlantic Alliance Summit.
(3 hrs.) The Loy Henderson Conference Room.

12:30 Third Session Concludes. Proceed to Room 1417,
Department of State.

12:33 Meeting with His Excellency General Antonio
(15 min.) Dos Santos Ramalho Eanes, President of the
Republic of Portugal - Room 1417, Department
of State.

12:50 Luncheon with Heads of Delegation - Jefferson Room.
(2 hrs.)

3:00 Final Session, North Atlantic Alliance Summit.
(1 hr.) The Loy Henderson Conference Room.

4:15 Statement to the Press - Dean Acheson Room.

4:25 Depart Department of State via Motorcade
en route South Grounds.

5:00 Meeting with His Excellency Constantine Caramanlis,
(45 min.) Prime Minister of the Hellenic Republic. (Dr. Zbigniew
Brzezinski) - The Cabinet Room.



The President

Thorn - Truax

LUNCHEON TOAST -- TALKING POINTS
MAY 31, 1978

-- THE MEETINGS HAVE BEEN FRUITFUL; MUCH HAS
BEEN ACCOMPLISHED.

-- THIS MEETING HAS PROVED THAT THE ALLIANCE HAS
THE STRENGTH, THE CREATIVITY AND THE WILL TO DO
WHATEVER IS NECESSARY TO PRESERVE THE COMMON VALUES
WE CHERISH.

(-- OVER --)

-- IN AGREEING UPON

2

-- IN AGREEING UPON MEASURES TO ENHANCE OUR
DEFENSIVE CAPABILITIES, WE ARE SAFEGUARDING THE
SECURITY AND INDEPENDENCE OF OUR PEOPLE.

-- OTHER DISCUSSIONS HAVE REAFFIRMED THE ALLIES'
COMMON COMMITMENT TO DEMOCRACY, JUSTICE, HUMAN
RIGHTS, INDIVIDUAL FREEDOM AND DIGNITY.

(-- NEW PAGE --)

-- WHAT WE ACHIEVE

-- WHAT WE ACHIEVE HERE WILL BENEFIT ALL MANKIND
BY DETERRING WAR AND PROMOTING PEACE, THUS
PERMITTING US TO USE OUR PRODUCTIVE ENERGIES TO
IMPROVE THE STANDARD OF LIVING FOR PEOPLE EVERYWHERE.

(-- OVER --)

-- PRESIDENT EISENHOWER,

-- PRESIDENT EISENHOWER, WHO ALSO SERVED AS
THE FIRST SUPREME ALLIED COMMANDER IN EUROPE,
EXPRESSED THAT DREAM AT THE 1957 SUMMIT IN PARIS,
WHEN HE SAID THAT DESPITE NATO'S CENTRAL ROLE AS A
COLLECTIVE DEFENSE ORGANIZATION, WE SHOULD "SEEK
PATIENTLY AND EVERLASTINGLY TO END THE NEED FOR GREAT
MILITARY ESTABLISHMENTS.

(-- NEW PAGE --)

OUR RESOLVE WILL

5

OUR RESOLVE WILL BE TO RELEASE LARGE RESOURCES
FOR THE WELFARE OF MANKIND."

WE MUST NEVER LOSE HOPE THAT, AS NATO'S PRIMARY
PURPOSE IS FULFILLED, WE WILL BE ABLE TO MOVE FORWARD
TOWARD THIS HUMANE GOAL.

(-- OVER --)

-- I WANT TO

6

-- I WANT TO EXTEND SPECIAL THANKS TO THE
MEMBERS OF THE NATO INTERNATIONAL STAFF FOR THEIR
EFFORTS THROUGH THE YEARS AND FOR THE EXCELLENT
PREPARATION THAT HELPED TO MAKE THIS MEETING
SUCCESSFUL.

(-- NEW PAGE --)

-- LET US PLEDGE

-- LET US PLEDGE OUR CONTINUED EFFORTS TO
INSURE THAT NATO CAN MEET WHATEVER CHALLENGES IT FACES,
OUR DEDICATION TO FIND REALISTIC WAYS TO REDUCE
TENSIONS AND CONTROL ARMS, OUR DETERMINATION TO
IMPROVE RELATIONS WITH THE WARSAW PACT, AND OUR
RESOLUTION TO SEEK FAIR AND JUST SOLUTIONS TO THE
PROBLEMS WE FACE.

#

NAO SUMMIT MEETING
MAY 31, 1978

LTDP WED. A.M.

THANK YOU, Mr. SECRETARY GENERAL.

THESE BRIEFINGS ILLUSTRATE THE MAGNITUDE OF
THE CHALLENGES WE FACE.

THEY DO NOT JUSTIFY ALARM.

BUT THEY SHOULD STRENGTHEN OUR RESOLVE.

(-- OVER --)

WHEN I TOOK

2

WHEN I TOOK OFFICE 16 MONTHS AGO, I REVIEWED
THE CONDITION OF U.S. DEFENSES.

I FOUND THEM STRONG, ALTHOUGH NEEDING IMPROVEMENTS.

IN PARTICULAR, I CONCLUDED THAT THE UNITED
STATES SHOULD GIVE TOP PRIORITY TO EUROPE, ESPECIALLY
THE CONVENTIONAL DEFENSES NEEDED IN THE INITIAL STAGES
OF A CONFLICT.

(-- NEW PAGE --)

I REACHED THIS

I REACHED THIS CONCLUSION FOR TWO REASONS.

FIRST, THE WARSAW PACT COUNTRIES, ESPECIALLY THE SOVIET UNION, HAVE STEADILY EXPANDED AND MODERNIZED THEIR CONVENTIONAL FORCES BEYOND ANY LEGITIMATE REQUIREMENT FOR DEFENSE.

(-- OVER --)

THEY ARE NOW

THEY ARE NOW ABLE TO ATTACK WITH LARGE ARMORED FORCES MORE RAPIDLY THAN WE PREVIOUSLY BELIEVED.

SECOND, ALTHOUGH U.S. NUCLEAR FORCES REMAIN STRONG AND ARE FUNDAMENTAL TO DETERRENCE, THE LONG-RECOGNIZED ROLE OF CONVENTIONAL FORCES IN DETERRENCE OF WAR IS INCREASINGLY IMPORTANT.

(-- NEW PAGE --)

AS A RESULT, I DIRECTED THE SECRETARY OF
DEFENSE TO STRENGTHEN INITIAL CONVENTIONAL DEFENSE
CAPACITY IN EUROPE.

OF COURSE, SUCH EFFORTS WOULD AMOUNT TO LITTLE
UNLESS ACCOMPANIED BY IMPROVEMENTS IN THE
CONVENTIONAL CAPACITY OF OUR NATO ALLIES.

(-- OVER --)

EUROPEAN NATO

EUROPEAN NATO COUNTRIES, NOT THE UNITED STATES,
PROVIDE THE BULK OF OUR MILITARY FORCES IN EUROPE.

ALSO, THE COMPETING DEMANDS OF OUR FREE
SOCIETIES LIMIT THE RESOURCES WE CAN USE FOR
DEFENSE.

(-- NEW PAGE --)

THEREFORE, WE MUST

THEREFORE, WE MUST COORDINATE OUR DEFENSE
PLANNING TO MAKE THE BEST USE OF THESE LIMITED
RESOURCES.

FROM OUR DISCUSSIONS IN LONDON LAST YEAR,
I KNOW THAT YOU SHARE MY VIEW OF THE CHALLENGES
WE FACE.

(-- OVER --)

THE ANSWERS WE

THE ANSWERS WE HAVE DEVELOPED TOGETHER ARE
IMPRESSIVE.

WE ARE MAKING SIGNIFICANT REAL INCREASES IN OUR
DEFENSE BUDGETS.

WE ARE STRENGTHENING OUR NATIONAL FORCES --
AND WE WILL DO MORE.

(-- NEW PAGE --)

FINALLY, WE HAVE

FINALLY, WE HAVE DESIGNED A BOLD LONG-TERM
DEFENSE PROGRAM TO PULL TOGETHER A MORE EFFECTIVE
COLLECTIVE DEFENSE.

AS WE IMPROVE OUR CONVENTIONAL DEFENSES,
WE MUST REMEMBER THAT THE STRENGTH OF OUR STRATEGIC
AND THEATER NUCLEAR FORCES IS FUNDAMENTAL TO
DETERRENCE AND DEFENSE.

(-- OVER --)

THESE FORCES ARE --

THESE FORCES ARE -- AND WILL BE -- FULLY
ADEQUATE.

ARMS CONTROL CAN MAKE DETERRENCE MORE STABLE
AND PERHAPS LESS BURDENSOME -- BUT IT WILL NOT,
IN THE FORESEEABLE FUTURE, ELIMINATE THE NEED FOR
NUCLEAR FORCES.

(-- NEW PAGE --)

FOR YEARS, THE

FOR YEARS, THE ALLIANCE HAS RELIED PRINCIPALLY
ON AMERICAN STRATEGIC FORCES FOR DETERRING NUCLEAR
ATTACK ON EUROPE.

THIS COUPLING OF AMERICAN STRATEGIC FORCES TO
EUROPE IS CRITICAL, FOR IT MEANS THAT AN ATTACK ON
EUROPE WOULD HAVE THE FULL CONSEQUENCES OF AN ATTACK
ON THE UNITED STATES.

(-- OVER --)

LET THERE BE

12

LET THERE BE NO MISUNDERSTANDING.

THE UNITED STATES IS PREPARED TO USE ALL THE
FORCES NECESSARY FOR THE DEFENSE OF THE NATO
AREA.

(-- NEW PAGE --)

TO GUARANTEE THAT

13

TO GUARANTEE THAT U.S. NUCLEAR CAPABILITY
WILL BE ADEQUATE IN THE FUTURE, THE CURRENT U.S.
DEFENSE PROGRAM CALLS FOR SPENDING ABOUT \$35 BILLION
ON INVESTMENT AND ON RESEARCH AND DEVELOPMENT
FOR NUCLEAR FORCES DURING THE NEXT FIVE YEARS.

(-- OVER --)

THIS DOES NOT

14

THIS DOES NOT INCLUDE SPENDING FOR OPERATING
THE NUCLEAR FORCES.

THIS AMERICAN COMMITMENT OF RESOURCES
DEMONSTRATES CLEARLY THAT THE U.S. INTENDS TO
MAINTAIN AND ENHANCE NATO'S STRATEGIC AND THEATER
NUCLEAR CAPABILITIES.

(-- NEW PAGE --)

TWO FUNDAMENTAL

15

TWO FUNDAMENTAL CONCEPTS UNDERSCORE THE
COUPLING OF AMERICAN STRATEGIC FORCES TO THE
DEFENSE OF EUROPE.

FIRST, U.S. FORCES MUST BE AN INTEGRAL PART
OF ALLIANCE DEFENSE FORCES.

(-- OVER --)

IN SUPPORT OF THIS,

16

IN SUPPORT OF THIS, THE UNITED STATES HAS
PLACED SIGNIFICANT STRATEGIC NUCLEAR FORCES UNDER
THE COMMAND OF THE SUPREME ALLIED COMMANDER,
EUROPE.

FOR EXAMPLE, NUCLEAR WARHEADS FROM U.S.
POSEIDON SUBMARINES ARE AVAILABLE TO THE SUPREME
ALLIED COMMANDER FOR TARGET PLANNING.

(-- NEW PAGE --)

17

SECOND, THE UNITED STATES MUST BE ABLE TO
MAKE THE SAME MILITARY EFFORT AGAINST TARGETS THAT
THREATEN EUROPE AS AGAINST TARGETS THAT THREATEN
THE UNITED STATES DIRECTLY.

(-- OVER --)

AS YOU HAVE SEEN

18

AS YOU HAVE SEEN TODAY, MASSIVE NUMBERS OF
AMERICAN NUCLEAR WARHEADS ARE AIMED AT TARGETS
IN THE EUROPEAN PART OF THE SOVIET UNION.

UNDER A SALT II AGREEMENT, THE U.S. WILL MAINTAIN
THIS TARGET COVERAGE.

(-- NEW PAGE --)

AS AN ALLIANCE,

AS AN ALLIANCE, WE MUST CONTINUE TO REVIEW
OUR NUCLEAR DETERRENCE NEEDS IN LIGHT OF
DEVELOPMENTS IN SOVIET NUCLEAR AND CONVENTIONAL
FORCES.

(-- OVER --)

FOR THIS REASON,

FOR THIS REASON, I AM PLEASED THAT AS ONE
RESULT OF THE LONG-TERM DEFENSE PROGRAM, THE
NUCLEAR PLANNING GROUP IS EXAMINING IN DETAIL THE
MODERNIZING OF OUR THEATER NUCLEAR FORCES, INCLUDING
THE QUESTION OF LONG-RANGE NUCLEAR SYSTEMS.

(-- NEW PAGE --)

I ALSO FEEL

I ALSO FEEL THAT WE NEED TO CONSIDER JOINTLY THE
RELATION OF LONG-RANGE THEATER NUCLEAR SYSTEMS
TO ARMS CONTROL.

THIS WILL REQUIRE CONSIDERING THE FULL SCOPE OF
POLITICAL AND MILITARY ISSUES, AND BEING SURE THAT
WE MAINTAIN THE COUPLING OF AMERICAN STRATEGIC
FORCES TO THE DEFENSE OF EUROPE.

(-- OVER --)

AS WE EXAMINE

AS WE EXAMINE THIS TOGETHER, I ASSURE YOU
THAT THE UNITED STATES WILL PROTECT THE OPTIONS
BEFORE US AS THE SALT II NEGOTIATIONS MOVE
TOWARD COMPLETION.

(-- NEW PAGE --)

LET ME NOW

LET ME NOW TURN TO CONVENTIONAL FORCES -- THE
BULK OF THE LONG-TERM DEFENSE PROGRAM.

AFTER ALL, OUR LARGEST EXPENDITURES ARE FOR
CONVENTIONAL, NOT NUCLEAR, FORCES.

(-- over --)
WE MUST PREPARE

24

WE MUST PREPARE TO FIGHT MORE EFFECTIVELY
TOGETHER AS AN ALLIANCE.

WE MUST MARKEDLY IMPROVE OUR ABILITY TO WORK
TOGETHER ON THE BATTLEFIELD.

(-- new page --)
WE SHOULD OVERCOME

WE SHOULD OVERCOME UNNECESSARY DUPLICATION
IN OUR NATIONAL PROGRAMS, THUS BUYING MORE
SECURITY FOR THE SAME MONEY.

(-- over --)

THAT IS WHAT

26

THAT IS WHAT THE LONG-TERM DEFENSE PROGRAM IS
ALL ABOUT.

IT IS AN UNPRECEDENTED ATTEMPT BY NATO TO LOOK
ACROSS A LONGER SPAN OF YEARS THAN EVER BEFORE.

(-- new page --)

IT SEEKS A MORE

IT SEEKS A MORE COOPERATIVE COURSE, AS THE
ONLY SENSIBLE WAY TO IMPROVE OUR DEFENSES WITHOUT
INCREASES IN DEFENSE SPENDING LARGER THAN
ARE READILY POSSIBLE.

(-- over --)

IT LAYS OUT

28

IT LAYS OUT SPECIFIC MEASURES OF ALLIANCE
COOPERATION.

IT IS THE BLUEPRINT WE NEED, AND WE MUST
CARRY IT OUT VIGOROUSLY.

(-- new page --)

OF COURSE, EACH

OF COURSE, EACH OF US DEPENDS ON LEGISLATIVE
APPROVAL FOR PARTICULAR PROGRAMS AND PROJECTS
WITHIN THE LONG-TERM, DEFENSE PROGRAM.

(-- over --)

BECAUSE WE LEAD

30

BECAUSE WE LEAD DEMOCRACIES, WE CANNOT BIND
OUR PEOPLE BY FIAT.

WE CAN, HOWEVER -- AND I PROPOSE TO DO
THIS TODAY -- PLEDGE TO DO WHAT IS NECESSARY TO
SECURE THIS APPROVAL AND MAKE THIS PROGRAM WORK.

(-- new page --)

THE UNITED STATES

THE UNITED STATES IS ALREADY RESPONDING TO
MANY LONG-TERM DEFENSE PROGRAM RECOMMENDATIONS,
PARTICULARLY IN THE FIELD IN REINFORCEMENT.

(-- over --)

AND THE RECOMMENDATIONS

32

AND THE RECOMMENDATIONS WILL RECEIVE
THE HIGHEST PRIORITY IN OUR OWN NATIONAL DEFENSE
PROGRAMMING.

(-- new page --)

IN SHORT,

IN SHORT, WE WILL DO OUR PART IN ADAPTING
OR MODIFYING U.S. PROGRAMS TO SUPPORT THE
NATO LONG-TERM DEFENSE PROGRAM.

I AM CONFIDENT THAT YOU WILL TAKE SIMILAR ACTION.

(-- over --)

FINALLY, I WANT

AP

34

FINALLY, I WANT TO MENTION THE ONE REMAINING
UNRESOLVED ASPECT OF THE LONG-TERM DEFENSE
PROGRAM.

(-- new page --)

ALTHOUGH THE PROGRAM

ALTHOUGH THE PROGRAM CALLS FOR NEW AND
UNPRECEDENTED ALLIANCE COOPERATION, NO PROCEDURES
HAVE YET BEEN DEvised FOR ENSURING THAT IT IS
CARRIED OUT.

(-- over --)

NATO'S HISTORY

36

NATO'S HISTORY IS REplete WITH BOLD PROGRAMS
HEARTILY ENDORSED -- THEN LARGELY IGNORED.

(-- new page --)

THE REPORT BEFORE

THE REPORT BEFORE US DIRECTS THE SECRETARY
GENERAL TO PRESENT FOR NATIONAL REVIEW WHAT
CHANGES ARE ESSENTIAL FOR VIGOROUS FOLLOW-THROUGH.

(-- over --)

BOTH THE NATO

38

BOTH THE NATO TASK FORCES AND WE AMERICANS
HAVE MADE SEVERAL SPECIFIC PROPOSALS TO THIS END.

FOR EXAMPLE, WE FAVOR EXPLICITLY RECOGNIZING
NATO'S NEW FOCUS ON LOGISTICS.

(-- new page --)

ONE WAY IS TO

ONE WAY IS TO CREATE A NEW ASSISTANT SECRETARY
GENERAL FOR LOGISTICS.

WE ALSO FAVOR CLEAR ASSIGNMENT OF RESPONSIBILITY
FOR EACH PROGRAM TO ONE NATO BODY.

(-- over --)

WHERE APPROPRIATE,

40

WHERE APPROPRIATE, WE WOULD PREFER A MAJOR
NATO COMMAND.

BUT I DO NOT ASK THAT YOU DISCUSS OUR
PROPOSALS TODAY.

(-- new page --)

INSTEAD, I ASK

INSTEAD, I ASK THAT ALL ALLIANCE LEADERS HERE
TODAY JOIN ME IN CALLING FOR VIGOROUS FOLLOW-THROUGH
OF THE PROGRAM.

(-- over --)

IN CONCLUSION,

42

IN CONCLUSION, LET ME STATE THAT WE CONFRONT
A UNIQUE OPPORTUNITY TO BRING OUR NATIONAL
DEFENSE PROGRAMS CLOSER TOGETHER.

(-- new page --)

THE RESULT WILL

THE RESULT WILL BE A MORE EFFECTIVE DEFENSE.

THE CONSEQUENCES WILL BE GREATER SECURITY
FOR OUR PEOPLE.

(-- over --)

IT IS OUR

44

IT IS OUR RESPONSIBILITY NOT TO LET THIS
OPPORTUNITY PASS.

END OF TEXT

1978

4:15 P.M. WED.

WE HAVE HAD A GOOD TWO DAYS OF DISCUSSIONS.

I WAS DEEPLY IMPRESSED WITH THE FRIENDLINESS,
CANDOR AND SENSE OF COMMON PURPOSE WITH WHICH ALL
HEADS OF DELEGATION APPROACHED THIS MEETING AT THE
SUMMIT.

(-- OVER --)

THE ALLIED LEADERS

2

THE ALLIED LEADERS OBVIOUSLY SHARED A SINCERE
DESIRE TO EXPRESS THEIR DEEPEST CONCERNS AND TO MEET
THE CHALLENGES FACING THE ALLIANCE.

THERE WAS ALSO A UNANIMOUS EXPRESSION OF
ALLIANCE UNITY AND DEDICATION.

(-- NEW PAGE --)

AND, WHILE NO

AND, WHILE NO ONE MINIMIZED THE PROBLEMS WE
FACE, THERE WAS STRONG CONFIDENCE IN OUR COLLECTIVE
ABILITY TO DEAL WITH THOSE PROBLEMS.

IN TWO DAYS OF DISCUSSION, WE SUCCEEDED IN
PLACING THE NORTH ATLANTIC ALLIANCE FIRMLY ON A
PATH TO MEET THE CHALLENGES OF THE FUTURE.

(-- OVER --)

WE HAVE AGAIN

4

WE HAVE AGAIN PLEDGED OUR DETERMINATION TO DO ALL
THAT IS NEEDED TO MAINTAIN FORCES TO DETER WAR AND,
IF NEED BE, TO DEFEND OUR FREEDOM.

I AM GRATIFIED THAT THE SUGGESTIONS FOR THE ALLIANCE
WHICH I MADE IN LONDON LAST YEAR WERE ADOPTED AS
PROGRAMS WHICH HAVE ALREADY LED TO SUCH EXCELLENT
RESULTS.

(-- NEW PAGE --)

IN OUR EAST-WEST

IN OUR EAST-WEST STUDY, WE REACHED CONSENSUS
ON LONG-TERM POLITICAL AND ECONOMIC TRENDS IN THE
WARSAW PACT COUNTRIES, AND ON THE IMPLICATIONS
OF THESE TRENDS FOR THE ALLIANCE.

WE STRENGTHENED OUR COOPERATION IN THE DEVELOPMENT,
PRODUCTION, AND PROCUREMENT OF DEFENSE EQUIPMENT.

(-- OVER --)

MOST IMPORTANT, WE

6

MOST IMPORTANT, WE AGREED TO A FAR-REACHING
LONG-TERM DEFENSE PROGRAM FOR THE NEXT DECADE AND
A HALF.

THIS IS AN ACHIEVEMENT OF HISTORIC PROPORTIONS.

IT WILL ENABLE THE NATO ALLIES TO POOL THEIR RESOURCES
FOR THE COMMON DEFENSE MORE EFFECTIVELY THAN EVER
BEFORE.

(-- NEW PAGE --)

IF WE ARE TO

IF WE ARE TO REACH THE FULL PROMISE OF WHAT WE
HAVE DONE HERE TODAY, WE MUST FOLLOW THROUGH WITH
DETERMINATION.

WE MUST CREATE WHATEVER MEANS ARE NEEDED TO
CARRY OUT OUR AGREEMENTS.

(-- OVER --)

I TOLD MY

I TOLD MY COLLEAGUES THAT I WILL BE FOLLOWING
THIS WORK PERSONALLY, AND WILL DO WHATEVER IS
NEEDED TO SUPPORT OUR COMMON EFFORTS.

(-- NEW PAGE --)

DURING THE PAST

DURING THE PAST TWO DAYS, WE ALSO TALKED ABOUT
MAJOR ISSUES THAT AFFECT THE ALLIANCE, INCLUDING
SALT, ARMS CONTROL IN EUROPE, THE SEARCH FOR PEACE
IN THE MIDDLE EAST, DEVELOPMENTS IN AFRICA, ECONOMIC
QUESTIONS AND RELATIONS WITH DEVELOPING COUNTRIES.

(-- OVER --)

IN PARTICULAR, I

10

IN PARTICULAR, I WELCOME ALLIED SUPPORT FOR
OUR EFFORT TO NEGOTIATE A SALT TREATY THAT WILL
INCREASE BOTH AMERICA'S SECURITY AND THAT OF THE
ALLIANCE.

(-- NEW PAGE --)

AS MY COLLEAGUES

AS MY COLLEAGUES RETURN TO THEIR OWN COUNTRIES,
I KNOW THEY TAKE WITH THEM A RENEWED SENSE OF THE
FRIENDSHIP OF THE AMERICAN PEOPLE.

BONDS OF HISTORY AND SHARED IDEALS UNITE US.
OUR ALLIANCE IS STRONG, AND OUR COURSE FOR
THE FUTURE IS CLEAR.

#

CONCLUDING PRESIDENTIAL PRESS STATEMENT - DRAFT 1
MAY 31, 1978

WE HAVE HAD A GOOD TWO DAYS OF DISCUSSIONS.

I WAS DEEPLY IMPRESSED WITH THE FRIENDLINESS,
CANDOR AND SENSE OF COMMON PURPOSE WITH WHICH ALL
HEADS OF DELEGATION APPROACHED THIS MEETING AT THE
SUMMIT.

(-- OVER --)

THE ALLIED LEADERS



THE ALLIED LEADERS OBVIOUSLY SHARED A SINCERE
DESIRE TO EXPRESS THEIR DEEPEST CONCERNS AND TO MEET
THE CHALLENGES FACING THE ALLIANCE.

THERE WAS ALSO A UNANIMOUS EXPRESSION OF
ALLIANCE UNITY AND DEDICATION.

(-- NEW PAGE --)

AND, WHILE NO



AND, WHILE NO ONE MINIMIZED THE PROBLEMS WE
FACE, THERE WAS STRONG CONFIDENCE IN OUR COLLECTIVE
ABILITY TO DEAL WITH THOSE PROBLEMS.

IN TWO DAYS OF DISCUSSION, WE SUCCEEDED IN
PLACING THE NORTH ATLANTIC ALLIANCE FIRMLY ON A
PATH TO MEET THE CHALLENGES OF THE FUTURE.

(-- OVER --)

WE HAVE AGAIN



WE HAVE AGAIN PLEDGED OUR DETERMINATION TO DO ALL
THAT IS NEEDED TO MAINTAIN FORCES TO DETER WAR AND,
IF NEED BE, TO DEFEND OUR FREEDOM.

I AM GRATIFIED THAT THE SUGGESTIONS FOR THE ALLIANCE
WHICH I MADE IN LONDON LAST YEAR WERE ADOPTED AS
PROGRAMS WHICH HAVE ALREADY LED TO SUCH EXCELLENT
RESULTS.

(-- NEW PAGE --)
IN OUR EAST-WEST

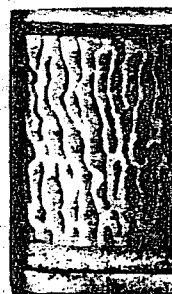


IN OUR EAST-WEST STUDY, WE REACHED CONSENSUS
ON LONG-TERM POLITICAL AND ECONOMIC TRENDS IN THE
WARSAW PACT COUNTRIES, AND ON THE IMPLICATIONS
OF THESE TRENDS FOR THE ALLIANCE.

WE STRENGTHENED OUR COOPERATION IN THE DEVELOPMENT,
PRODUCTION, AND PROCUREMENT OF DEFENSE EQUIPMENT.

(-- OVER --)

MOST IMPORTANT, WE



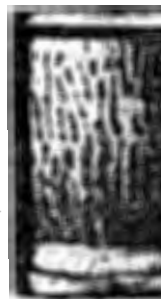
MOST IMPORTANT, WE AGREED TO A FAR-REACHING
LONG-TERM DEFENSE PROGRAM FOR THE NEXT DECADE AND
A HALF.

THIS IS AN ACHIEVEMENT OF HISTORIC PROPORTIONS.

IT WILL ENABLE THE NATO ALLIES TO POOL THEIR RESOURCES
FOR THE COMMON DEFENSE MORE EFFECTIVELY THAN EVER
BEFORE.

(-- NEW PAGE --)

IF WE ARE TO



IF WE ARE TO REACH THE FULL PROMISE OF WHAT WE
HAVE DONE HERE TODAY, WE MUST FOLLOW THROUGH WITH
DETERMINATION.

WE MUST CREATE WHATEVER MEANS ARE NEEDED TO
CARRY OUT OUR AGREEMENTS.

(-- OVER --)

I TOLD MY



I TOLD MY COLLEAGUES THAT I WILL BE FOLLOWING
THIS WORK PERSONALLY, AND WILL DO WHATEVER IS
NEEDED TO SUPPORT OUR COMMON EFFORTS.

(-- NEW PAGE --)

DURING THE PAST



DURING THE PAST TWO DAYS, WE ALSO TALKED ABOUT
MAJOR ISSUES THAT AFFECT THE ALLIANCE, INCLUDING
SALT, ARMS CONTROL IN EUROPE, THE SEARCH FOR PEACE
IN THE MIDDLE EAST, DEVELOPMENTS IN AFRICA, ECONOMIC
QUESTIONS AND RELATIONS WITH DEVELOPING COUNTRIES.

(-- OVER --)

IN PARTICULAR, I



IN PARTICULAR, I WELCOME ALLIED SUPPORT FOR
OUR EFFORT TO NEGOTIATE A SALT TREATY THAT WILL
INCREASE BOTH AMERICA'S SECURITY AND THAT OF THE
ALLIANCE.

(-- NEW PAGE --)

AS MY COLLEAGUES



AS MY COLLEAGUES RETURN TO THEIR OWN COUNTRIES,
I KNOW THEY TAKE WITH THEM A RENEWED SENSE OF THE
FRIENDSHIP OF THE AMERICAN PEOPLE.

BONDS OF HISTORY AND SHARED IDEALS UNITE US.

OUR ALLIANCE IS STRONG, AND OUR COURSE FOR
THE FUTURE IS CLEAR.

#



THANK YOU, Mr. SECRETARY GENERAL.

THESE BRIEFINGS ILLUSTRATE THE MAGNITUDE OF
THE CHALLENGES WE FACE.

THEY DO NOT JUSTIFY ALARM.

BUT THEY SHOULD STRENGTHEN OUR RESOLVE.

(-- OVER --)

WHEN I TOOK



WHEN I TOOK OFFICE 16 MONTHS AGO, I REVIEWED
THE CONDITION OF U.S. DEFENSES.

I FOUND THEM STRONG, ALTHOUGH NEEDING IMPROVEMENTS.

IN PARTICULAR, I CONCLUDED THAT THE UNITED
STATES SHOULD GIVE TOP PRIORITY TO EUROPE, ESPECIALLY
THE CONVENTIONAL DEFENSES NEEDED IN THE INITIAL STAGES
OF A CONFLICT.

(-- NEW PAGE --)

I REACHED THIS

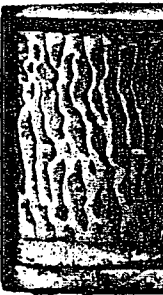


I REACHED THIS CONCLUSION FOR TWO REASONS.

FIRST, THE WARSAW PACT COUNTRIES, ESPECIALLY
THE SOVIET UNION, HAVE STEADILY EXPANDED AND
MODERNIZED THEIR CONVENTIONAL FORCES BEYOND ANY
LEGITIMATE REQUIREMENT FOR DEFENSE.

(-- OVER --)

THEY ARE NOW



THEY ARE NOW ABLE TO ATTACK WITH LARGE ARMORED FORCES MORE RAPIDLY THAN WE PREVIOUSLY BELIEVED.

SECOND, ALTHOUGH U.S. NUCLEAR FORCES REMAIN STRONG AND ARE FUNDAMENTAL TO DETERRENCE, THE LONG-RECOGNIZED ROLE OF CONVENTIONAL FORCES IN DETERRENCE OF WAR IS INCREASINGLY IMPORTANT.

(-- NEW PAGE --)

AS A RESULT,



AS A RESULT, I DIRECTED THE SECRETARY OF
DEFENSE TO STRENGTHEN INITIAL CONVENTIONAL DEFENSE
CAPACITY IN EUROPE.

OF COURSE, SUCH EFFORTS WOULD AMOUNT TO LITTLE
UNLESS ACCOMPANIED BY IMPROVEMENTS IN THE
CONVENTIONAL CAPACITY OF OUR NATO ALLIES.

(-- OVER --)

EUROPEAN NATO



EUROPEAN NATO COUNTRIES, NOT THE UNITED STATES,
PROVIDE THE BULK OF OUR MILITARY FORCES IN EUROPE.

ALSO, THE COMPETING DEMANDS OF OUR FREE
SOCIETIES LIMIT THE RESOURCES WE CAN USE FOR
DEFENSE.

(-- NEW PAGE --)

THEREFORE, WE MUST



THEREFORE, WE MUST COORDINATE OUR DEFENSE
PLANNING TO MAKE THE BEST USE OF THESE LIMITED
RESOURCES.

FROM OUR DISCUSSIONS IN LONDON LAST YEAR,
I KNOW THAT YOU SHARE MY VIEW OF THE CHALLENGES
WE FACE.

(-- OVER --)

THE ANSWERS WE



THE ANSWERS WE HAVE DEVELOPED TOGETHER ARE
IMPRESSIVE.

WE ARE MAKING SIGNIFICANT REAL INCREASES IN OUR
DEFENSE BUDGETS.

WE ARE STRENGTHENING OUR NATIONAL FORCES --
AND WE WILL DO MORE.

(-- NEW PAGE --)

FINALLY, WE HAVE



FINALLY, WE HAVE DESIGNED A BOLD LONG-TERM
DEFENSE PROGRAM TO PULL TOGETHER A MORE EFFECTIVE
COLLECTIVE DEFENSE.

AS WE IMPROVE OUR CONVENTIONAL DEFENSES,
WE MUST REMEMBER THAT THE STRENGTH OF OUR STRATEGIC
AND THEATER NUCLEAR FORCES IS FUNDAMENTAL TO
DETERRENCE AND DEFENSE.

(-- OVER --)

THESE FORCES ARE --



THESE FORCES ARE -- AND WILL BE -- FULLY
ADEQUATE.

ARMS CONTROL CAN MAKE DETERRENCE MORE STABLE
AND PERHAPS LESS BURDENSOME -- BUT IT WILL NOT,
IN THE FORESEEABLE FUTURE, ELIMINATE THE NEED FOR
NUCLEAR FORCES.

(-- NEW PAGE --)

FOR YEARS, THE

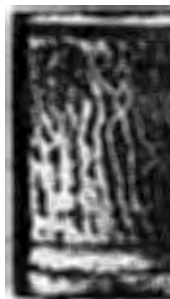


FOR YEARS, THE ALLIANCE HAS RELIED PRINCIPALLY
ON AMERICAN STRATEGIC FORCES FOR DETERRING NUCLEAR
ATTACK ON EUROPE.

THIS COUPLING OF AMERICAN STRATEGIC FORCES TO
EUROPE IS CRITICAL, FOR IT MEANS THAT AN ATTACK ON
EUROPE WOULD HAVE THE FULL CONSEQUENCES OF AN ATTACK
ON THE UNITED STATES.

(-- OVER --)

LET THERE BE



LET THERE BE NO MISUNDERSTANDING.

THE UNITED STATES IS PREPARED TO USE ALL THE
FORCES NECESSARY FOR THE DEFENSE OF THE NATO
AREA.

(-- NEW PAGE --)

TO GUARANTEE THAT



TO GUARANTEE THAT U.S. NUCLEAR CAPABILITY
WILL BE ADEQUATE IN THE FUTURE, THE CURRENT U.S.
DEFENSE PROGRAM CALLS FOR SPENDING ABOUT \$35 BILLION
ON INVESTMENT AND ON RESEARCH AND DEVELOPMENT
FOR NUCLEAR FORCES DURING THE NEXT FIVE YEARS.

(-- OVER --)

THIS DOES NOT



THIS DOES NOT INCLUDE SPENDING FOR OPERATING
THE NUCLEAR FORCES.

THIS AMERICAN COMMITMENT OF RESOURCES
DEMONSTRATES CLEARLY THAT THE U.S. INTENDS TO
MAINTAIN AND ENHANCE NATO'S STRATEGIC AND THEATER
NUCLEAR CAPABILITIES.

(-- NEW PAGE --)

TWO FUNDAMENTAL



TWO FUNDAMENTAL CONCEPTS UNDERSCORE THE
COUPLING OF AMERICAN STRATEGIC FORCES TO THE
DEFENSE OF EUROPE.

FIRST, U.S. FORCES MUST BE AN INTEGRAL PART
OF ALLIANCE DEFENSE FORCES.

(-- OVER --)

IN SUPPORT OF THIS,



IN SUPPORT OF THIS, THE UNITED STATES HAS
PLACED SIGNIFICANT STRATEGIC NUCLEAR FORCES UNDER
THE COMMAND OF THE SUPREME ALLIED COMMANDER,
EUROPE.

FOR EXAMPLE, NUCLEAR WARHEADS FROM U.S.
POSEIDON SUBMARINES ARE AVAILABLE TO THE SUPREME
ALLIED COMMANDER FOR TARGET PLANNING.

(-- NEW PAGE --)

SECOND, THE



SECOND, THE UNITED STATES MUST BE ABLE TO
MAKE THE SAME MILITARY EFFORT AGAINST TARGETS THAT
THREATEN EUROPE AS AGAINST TARGETS THAT THREATEN
THE UNITED STATES DIRECTLY.

(-- OVER --)

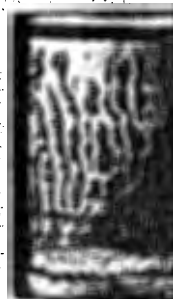
AS YOU HAVE SEEN



AS AN ALLIANCE, WE MUST CONTINUE TO REVIEW
OUR NUCLEAR DETERRENCE NEEDS IN LIGHT OF
DEVELOPMENTS IN SOVIET NUCLEAR AND CONVENTIONAL
FORCES.

(-- OVER --)

FOR THIS REASON,



FOR THIS REASON, I AM PLEASED THAT AS ONE
RESULT OF THE LONG-TERM DEFENSE PROGRAM, THE
NUCLEAR PLANNING GROUP IS EXAMINING IN DETAIL THE
MODERNIZING OF OUR THEATER NUCLEAR FORCES, INCLUDING
THE QUESTION OF LONG-RANGE NUCLEAR SYSTEMS.

(-- NEW PAGE --)

I ALSO FEEL



I ALSO FEEL THAT WE NEED TO CONSIDER JOINTLY THE
RELATION OF LONG-RANGE THEATER NUCLEAR SYSTEMS
TO ARMS CONTROL.

THIS WILL REQUIRE CONSIDERING THE FULL SCOPE OF
POLITICAL AND MILITARY ISSUES, AND BEING SURE THAT
WE MAINTAIN THE COUPLING OF AMERICAN STRATEGIC
FORCES TO THE DEFENSE OF EUROPE.

(-- OVER --)

AS WE EXAMINE

AS WE EXAMINE THIS TOGETHER, I ASSURE YOU
THAT THE UNITED STATES WILL PROTECT THE OPTIONS
BEFORE US AS THE SALT II NEGOTIATIONS MOVE
TOWARD COMPLETION.

(-- NEW PAGE --)

LET ME NOW



LET ME NOW TURN TO CONVENTIONAL FORCES -- THE
BULK OF THE LONG-TERM DEFENSE PROGRAM.

AFTER ALL, OUR LARGEST EXPENDITURES ARE FOR
CONVENTIONAL, NOT NUCLEAR, FORCES.

(-- over --)

WE MUST PREPARE



WE MUST PREPARE TO FIGHT MORE EFFECTIVELY
TOGETHER AS AN ALLIANCE.

WE MUST MARKEDLY IMPROVE OUR ABILITY TO WORK
TOGETHER ON THE BATTLEFIELD.

(-- new page --)

WE SHOULD OVERCOME



WE SHOULD OVERCOME UNNECESSARY DUPLICATION
IN OUR NATIONAL PROGRAMS, THUS BUYING MORE
SECURITY FOR THE SAME MONEY.

(-- over --)

THAT IS WHAT



THAT IS WHAT THE LONG-TERM DEFENSE PROGRAM IS
ALL ABOUT.

IT IS AN UNPRECEDENTED ATTEMPT BY NATO TO LOOK
ACROSS A LONGER SPAN OF YEARS THAN EVER BEFORE.

(-- new page --)

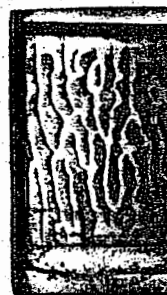
IT SEEKS A MORE



IT SEEKS A MORE COOPERATIVE COURSE, AS THE
ONLY SENSIBLE WAY TO IMPROVE OUR DEFENSES WITHOUT
INCREASES IN DEFENSE SPENDING LARGER THAN
ARE READILY POSSIBLE.

(-- over --)

IT LAYS OUT



IT LAYS OUT SPECIFIC MEASURES OF ALLIANCE
COOPERATION.

IT IS THE BLUEPRINT WE NEED, AND WE MUST
CARRY IT OUT VIGOROUSLY.

(-- new page --)

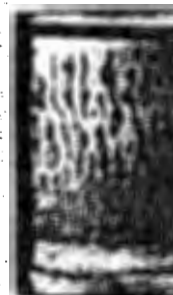
OF COURSE, EACH



OF COURSE, EACH OF US DEPENDS ON LEGISLATIVE
APPROVAL FOR PARTICULAR PROGRAMS AND PROJECTS
WITHIN THE LONG-TERM DEFENSE PROGRAM.

(-- over --)

BECAUSE WE LEAD



BECAUSE WE LEAD DEMOCRACIES, WE CANNOT BIND
OUR PEOPLE BY FIAT.

WE CAN, HOWEVER -- AND I PROPOSE TO DO
THIS TODAY -- PLEDGE TO DO WHAT IS NECESSARY TO
SECURE THIS APPROVAL AND MAKE THIS PROGRAM WORK.

(-- new page --)

THE UNITED STATES



THE UNITED STATES IS ALREADY RESPONDING TO
MANY LONG-TERM DEFENSE PROGRAM RECOMMENDATIONS,
PARTICULARLY IN THE FIELD IN REINFORCEMENT.

(-- over --)

AND THE RECOMMENDATIONS



AND THE RECOMMENDATIONS WILL RECEIVE
THE HIGHEST PRIORITY IN OUR OWN NATIONAL DEFENSE
PROGRAMMING.

(-- new page --)

IN SHORT,

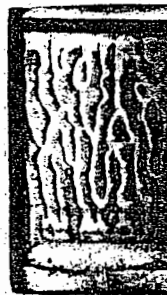


IN SHORT, WE WILL DO OUR PART IN ADAPTING
OR MODIFYING U.S. PROGRAMS TO SUPPORT THE
NATO LONG-TERM DEFENSE PROGRAM.

I AM CONFIDENT THAT YOU WILL TAKE SIMILAR ACTION.

(-- over --)

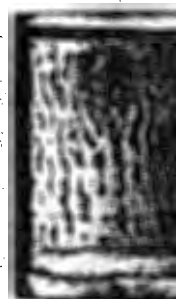
FINALLY, I WANT



FINALLY, I WANT TO MENTION THE ONE REMAINING
UNRESOLVED ASPECT OF THE LONG-TERM DEFENSE
PROGRAM.

(-- new page --)

ALTHOUGH THE PROGRAM



ALTHOUGH THE PROGRAM CALLS FOR NEW AND
UNPRECEDENTED ALLIANCE COOPERATION, NO PROCEDURES
HAVE YET BEEN DEvised FOR ENSURING THAT IT IS
CARRIED OUT.

(-- over --)

NATO'S HISTORY



NATO'S HISTORY IS REplete WITH BOLD PROGRAMS
HEARTILY ENDORSED -- THEN LARGELY IGNORED.

(-- new page --)

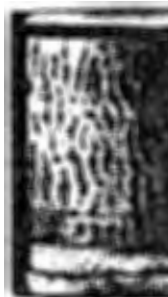
THE REPORT BEFORE



THE REPORT BEFORE US DIRECTS THE SECRETARY
GENERAL TO PRESENT FOR NATIONAL REVIEW WHAT
CHANGES ARE ESSENTIAL FOR VIGOROUS FOLLOW-THROUGH.

(-- over --)

BOTH THE NATO



BOTH THE NATO TASK FORCES AND WE AMERICANS
HAVE MADE SEVERAL SPECIFIC PROPOSALS TO THIS END.

FOR EXAMPLE, WE FAVOR EXPLICITLY RECOGNIZING
NATO'S NEW FOCUS ON LOGISTICS.

(-- new page --)

ONE WAY IS TO

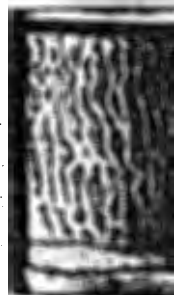


ONE WAY IS TO CREATE A NEW ASSISTANT SECRETARY
GENERAL FOR LOGISTICS.

WE ALSO FAVOR CLEAR ASSIGNMENT OF RESPONSIBILITY
FOR EACH PROGRAM TO ONE NATO BODY.

(-- over --)

WHERE APPROPRIATE,



WHERE APPROPRIATE, WE WOULD PREFER A MAJOR
NATO COMMAND.

BUT I DO NOT ASK THAT YOU DISCUSS OUR
PROPOSALS TODAY.

(-- new page --)

INSTEAD, I ASK



INSTEAD, I ASK THAT ALL ALLIANCE LEADERS HERE
TODAY JOIN ME IN CALLING FOR VIGOROUS FOLLOW-THROUGH
OF THE PROGRAM.

(-- over --)

IN CONCLUSION,



IN CONCLUSION, LET ME STATE THAT WE CONFRONT
A UNIQUE OPPORTUNITY TO BRING OUR NATIONAL
DEFENSE PROGRAMS CLOSER TOGETHER.

(-- new page --)

THE RESULT WILL



THE RESULT WILL BE A MORE EFFECTIVE DEFENSE.

THE CONSEQUENCES WILL BE GREATER SECURITY
FOR OUR PEOPLE.

(-- over --)

IT IS OUR



IT IS OUR RESPONSIBILITY NOT TO LET THIS
OPPORTUNITY PASS.

END OF TEXT



LUNCHEON TOAST -- TALKING POINTS
MAY 31, 1978

1

-- THE MEETINGS HAVE BEEN FRUITFUL; MUCH HAS
BEEN ACCOMPLISHED.

-- THIS MEETING HAS PROVED THAT THE ALLIANCE HAS
THE STRENGTH, THE CREATIVITY AND THE WILL TO DO
WHATEVER IS NECESSARY TO PRESERVE THE COMMON VALUES
WE CHERISH.

(-- OVER --)

-- IN AGREEING UPON



-- IN AGREEING UPON MEASURES TO ENHANCE OUR
DEFENSIVE CAPABILITIES, WE ARE SAFEGUARDING THE
SECURITY AND INDEPENDENCE OF OUR PEOPLE.

-- OTHER DISCUSSIONS HAVE REAFFIRMED THE ALLIES'
COMMON COMMITMENT TO DEMOCRACY, JUSTICE, HUMAN
RIGHTS, INDIVIDUAL FREEDOM AND DIGNITY.

(-- NEW PAGE --)

-- WHAT WE ACHIEVE



-- WHAT WE ACHIEVE HERE WILL BENEFIT ALL MANKIND
BY DETERRING WAR AND PROMOTING PEACE, THUS
PERMITTING US TO USE OUR PRODUCTIVE ENERGIES TO
IMPROVE THE STANDARD OF LIVING FOR PEOPLE EVERYWHERE.

(-- OVER --)

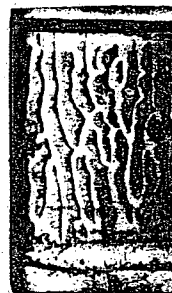
-- PRESIDENT EISENHOWER,



-- PRESIDENT EISENHOWER, WHO ALSO SERVED AS THE FIRST SUPREME ALLIED COMMANDER IN EUROPE, EXPRESSED THAT DREAM AT THE 1957 SUMMIT IN PARIS, WHEN HE SAID THAT DESPITE NATO'S CENTRAL ROLE AS A COLLECTIVE DEFENSE ORGANIZATION, WE SHOULD "SEEK PATIENTLY AND EVERLASTINGLY TO END THE NEED FOR GREAT MILITARY ESTABLISHMENTS.

(-- NEW PAGE --)

OUR RESOLVE WILL

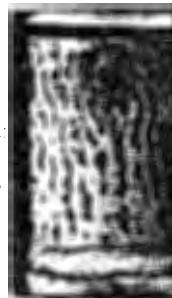


OUR RESOLVE WILL BE TO RELEASE LARGE RESOURCES
FOR THE WELFARE OF MANKIND."

WE MUST NEVER LOSE HOPE THAT, AS NATO'S PRIMARY
PURPOSE IS FULFILLED, WE WILL BE ABLE TO MOVE FORWARD
TOWARD THIS HUMANE GOAL.

(-- OVER --)

-- I WANT TO



-- I WANT TO EXTEND SPECIAL THANKS TO THE
MEMBERS OF THE NATO INTERNATIONAL STAFF FOR THEIR
EFFORTS THROUGH THE YEARS AND FOR THE EXCELLENT
PREPARATION THAT HELPED TO MAKE THIS MEETING
SUCCESSFUL.

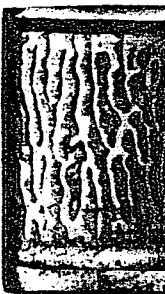
(-- NEW PAGE --)

-- LET US PLEDGE



-- LET US PLEDGE OUR CONTINUED EFFORTS TO
INSURE THAT NATO CAN MEET WHATEVER CHALLENGES IT FACES,
OUR DEDICATION TO FIND REALISTIC WAYS TO REDUCE
TENSIONS AND CONTROL ARMS, OUR DETERMINATION TO
IMPROVE RELATIONS WITH THE WARSAW PACT, AND OUR
RESOLUTION TO SEEK FAIR AND JUST SOLUTIONS TO THE
PROBLEMS WE FACE.

#



THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

May 30, 1978

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Lyle E. Gramley *LEG*

Subject: Consumer Prices in April

Figures on consumer prices in April will be released by the Bureau of Labor Statistics tomorrow (Wednesday, May 31) at 9:00 a. m. The news is bad.

Prices of all consumer goods and services went up 0.9 percent in April -- compared with an 0.8 percent rise in March. Food prices rose 1.8 percent in April, the biggest increase of any month this year. Since December, food prices have risen 5.5 percent. All items other than food increased 0.7 percent in April, the same as in March.

In the food area, the chief sources of the April jump in prices were meat and fresh vegetables. Beef prices were up 6.6 percent, and there were huge increases in pork, poultry, and other meats. Fresh vegetables were up almost 10 percent; lettuce prices rose 30 percent.

Outside of food, the biggest contributor to inflation in recent months has been housing. Housing costs include a wide variety of things -- rent, mortgage interest rates, property taxes, insurance, fuel and other utilities, household operations and furnishings. These costs have been rising at about 0.8 percent a month this year, led by large increases in mortgage interest rates.

This afternoon the Department of Agriculture released a revised forecast of retail food prices for 1978. They now expect an 8 to 10 percent rise, compared with their earlier forecast of 6 to 8 percent. This update does not reflect any new developments, but an incorporation of what has happened (mainly to prices of live cattle and hogs) over the past month or so. It is likely that retail food prices will rise sharply again in May and possible also in June. Thereafter, we hope to see some moderation.

THE WHITE HOUSE

WASHINGTON

May 27, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS, GRIFFIN SMITH *JS*

SUBJECT: Suggested Toast at Lunch on May 31, 1978
Department of State

-- The meetings have been fruitful; much has been accomplished.

-- This meeting has proved that the Alliance has the strength, the creativity and the will to do whatever is necessary to preserve the common values we cherish.

-- In agreeing upon measures to enhance our defensive capabilities, we are safeguarding the security and independence of our people.

-- Other discussions have reaffirmed the Allies' common commitment to democracy, justice, human rights, individual freedom and dignity.

-- What we achieve here will benefit all mankind by deterring war and promoting peace, thus permitting us to use our productive energies to improve the standard of living for people everywhere.

-- President Eisenhower, who also served as the first Supreme Allied Commander in Europe, expressed that dream at the 1957 summit in Paris, when he said that despite NATO's central role as a collective defense organization, we should "seek patiently and everlastingly to end the need for great military establishments. Our resolve will be to release large resources for the welfare of mankind." We must never lose hope that, as NATO's primary purpose is fulfilled, we will be able to move forward toward this humane goal.

-- I want to extend special thanks to the members of the NATO International Staff for their efforts through the years and for the excellent preparation that helped to make this meeting successful.

-- Let us pledge our continued efforts to insure that NATO can meet whatever challenges it faces, our dedication to find realistic ways to reduce tensions and control arms, our determination to improve relations with the Warsaw Pact, and our resolution to seek fair and just solutions to the problems we face.

THE WHITE HOUSE
WASHINGTON

May 31, 1978

The First Lady

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

cc: Bob Lipshutz

WHITE HOUSE SILVERWARE

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	LAST DAY FOR ACTION -

ACTION
FYI

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	KRAFT
<input checked="" type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	WEXLER
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	MCINTYRE
<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ADAMS
<input type="checkbox"/>	ANDRUS
<input type="checkbox"/>	BELL
<input type="checkbox"/>	BERGLAND
<input type="checkbox"/>	BLUMENTHAL
<input type="checkbox"/>	BROWN
<input type="checkbox"/>	CALIFANO
<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FALLOWS
<input checked="" type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	RAFSHOON
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE

THE WHITE HOUSE
WASHINGTON

TO The President
FROM Bob Finkel

For your
Information.

May 30, 1978



AMERICAN EXPRESS COMPANY, AMERICAN EXPRESS PLAZA, NEW YORK, N.Y. 10004

May 25, 1978

ROBERT L. MEYERS
VICE PRESIDENT - MERCHANDISE SALES
CARD DIVISION

Mr. Robert J. Lipshutz
Counsel to the President
The White House
Washington, D.C.

Dear Mr. Lipshutz:

I refer to your letter of May 16, 1978 relative to a silver flatware promotion sent to American Express cardmembers.

Please be assured that American Express had no intention of using the name or image of the White House to mislead consumers or to suggest in any way an endorsement by the White House of Gorham Silver.

In matters of this kind, we always conduct a careful review with our legal counsel. Our interpretation of the applicable statutes clearly suggests that since the White House is in the public domain, its use for advertising purposes is permissible. However, in view of the concerns disclosed in your letter, the solicitation piece which prompted your letter will no longer be distributed, or if revised, we will discuss it with you.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Robert L. Meyers".
Robert L. Meyers

To Ros J

THE WHITE HOUSE
WASHINGTON

May 31, 1978

Bob Strauss

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Stu Eizenstat
Frank Moore
Jody Powell
Phil Wise

HOSPITAL COST CONTAINMENT STATEMENT

THE WHITE HOUSE
WASHINGTON

5/30/78

Mr. President:

Phil advises that there is
no time for the statement.

Jody had no comment.

Rick

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION
FYI

*Parti -
Have delivered
to Strauss
ASAP*

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
<input checked="" type="checkbox"/>	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
<input checked="" type="checkbox"/>	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
<input checked="" type="checkbox"/>	STRAUSS
	VANCE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
<input checked="" type="checkbox"/>	WISE

THE WHITE HOUSE
WASHINGTON

May 30, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Hospital Cost Containment Statement

Our hospital cost containment bill will be voted on in committee on Thursday of this week. Bill Cable and Congressman Rogers agree that we are a few votes short and are likely to lose unless you raise the level of visibility on this issue.

I recommend, and Bill Cable agrees, that on Wednesday you give a very tough 2 - 3 minute statement on the vote. The theme would be that the committee has a chance to take a step against inflation and that a vote against this bill is a vote in favor of inflation. The statement would also make the point that this typifies the difficulty of fighting inflation -- everyone wants to fight it in someone else's industry. You would conclude by asking the committee to rise above special interest pressure and to cast a vote against inflation.

I know of your time constraints due to the NATO Summit but I hope that you will be able to fit a few minutes in for such a statement. Without it I fear cost containment will be dead. I have discussed this with Secretary Califano who feels very strongly that such a statement is necessary. Bob Strauss also agrees with the need for a statement and urges you to make it but to keep it as positive as possible. Frank Moore concurs.

_____ Agree to make statement

✓ _____ Disagree

cc: Hamilton Jordan
Jody Powell

Strauss

Hospital Cost Containment Proposed Statement

The House Commerce Committee very soon will have a major opportunity to help reduce inflation when it votes on a hospital cost containment bill. I urge the members of the committee to approve that bill and to work for Congressional passage this year.

I proposed cost containment legislation last year as a means of restraining the skyrocketing costs of hospital care. These costs have been rising by more than 15% a year, over twice the inflation rate for the economy as a whole. Profits for proprietary hospitals rose by more than 22% annually.

The fight against inflation must begin with difficult measures. Unless this bill is approved, we have no realistic hope of restraining health care costs in the foreseeable future. Tomorrow's vote, and others on this bill which will follow, are among the most important anti-inflation votes that members of Congress can make this year. A vote in favor of this bill is a vote against inflation. A vote against this bill is a vote to continue the inflationary increases of the past.

Any bill designed to fight inflation will be opposed intensely by powerful special interests. This is certainly the case with hospital cost containment. I am confident, however, that the members of the Commerce Committee will overcome these pressures and will take a step to help Americans in their fight against burgeoning hospital costs and rising inflation.

30 May 1978

Scheduled for Thursday

WASHINGTON

DATE: 30 MAY 78

FOR ACTION: JODY POWELL

INFO ONLY: JERRY RAFSHOON

FRAN VOORDE

PHIL WISE

SUBJECT: EIZENSTAT MEMO RE HOSPITAL COST CONTAINMENT STATEMENT

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 0600 PM TUESDAY 30 MAY 78 +

+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

WASHINGTON

DATE: 30 MAY 78

FOR ACTION: JODY POWELL

INFO ONLY: JERRY RAFSHOON

FRAN VOORDE

PHIL WISE

SUBJECT: EIZENSTAT MEMO RE HOSPITAL COST CONTAINMENT STATEMENT

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 0600 PM TUESDAY 30 MAY 78 +
+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

Rick,

There is no time on Wed to do such
a statement. He is scheduled very tightly
from 8:00am → 5:45pm

THE WHITE HOUSE
WASHINGTON

①

May 31, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE *F.M./pd*

SUBJECT:

Telephone Call from
Senator Baker today.

FOR YOUR INFORMATION - NO ACTION REQUIRED

Senator Baker called me today from Tennessee to have me convey to you his complete support for your recent statements concerning Cuba and Russia. He approves of Senator Bryd's speech in Mississippi yesterday calling for the development of the neutron bomb and recalling our liaison from Cuba. Baker assumes Bryd's speech was coordinated with us -- a false assumption -- ?

Baker says he doesn't want to take the ball away from you and will stay quiet for two or three days before he says anything. What Baker did not say and what he meant is that he's going to see us and raise us one. At sometime he or Bill Brock is going to say, "now we have heard the words, where are the deeds?"

This is pure conjecture on my part, but I have learned to read Senator Baker well.

cc: Zbigniew Brzezinski
Hamilton Jordan

THE WHITE HOUSE

WASHINGTON

NATO SUMMIT

May 30-31, 1978

WEDNESDAY - MAY 31, 1978

DAY #2

From: Phil Wise

WEDNESDAY - MAY 31, 1978

8:00 a.m.	Bilateral with Prime Minister Ecevit. Oval Office. 45 minutes
9:00 a.m.	Bilateral with Prime Minister Andreotti. Oval Office - 15 minutes
9:22 a.m.	You board motorcade on South Grounds and depart en route Department of State.
9:25 a.m.	Motorcade arrives Department of State. You proceed to Loy Henderson Conference Room.
9:30 a.m.	You arrive Loy Henderson Conference Room and take your seat for Third NATO Session.
12:30 p.m.	Third Session concludes. You proceed to Department of State Room #1417 for Bilateral with President Eanes.
12:33 p.m.	Bilateral with President Eanes of Portugal. (15 minutes)
12:48 p.m.	Bilateral concludes. You depart Room 1417 en route Jefferson Room via elevator.

WEDNESDAY - MAY 31, 1978 - Continued

12:50 p.m. You arrive Jefferson Room and take your seat.

12:50 p.m. Luncheon begins.

2:50 p.m. Luncheon concludes.

 You proceed to Loy Henderson Conference Room via elevator.

 You arrive Loy Henderson Conference Room and take your seat.

3:00 p.m. Final NATO Session begins.

4:00 p.m. Final Session concludes.

 You proceed to holding room.

4:05 p.m. Arrive holding room.

 PERSONAL TIME: 5 minutes

4:10 p.m. You depart holding room en route Dean Acheson Room for statement to the press.

4:12 p.m. You arrive Dean Acheson Room.

 Statement to the Press.

 FULL PRESS COVERAGE

4:22 p.m. Statement concludes. You proceed to motorcade for boarding.

4:25 p.m. Motorcade departs Department of State en route South Grounds.

4:27 p.m. Motorcade arrives South Grounds.

5:00 p.m. Bilateral with Prime Minister Karamanlis.
 (45 minutes - Oval Office)

THE WHITE HOUSE

WASHINGTON
May 31, 1978

C

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*
by Les Francis
SUBJECT: Results of the House Post Office and Civil
Service Democratic Members' Caucus Today

F41

The Democrats of the House Post Office and Civil Service Committee caucused today at 10:00 AM to try and reach a "working consensus" on all key points in the Reform legislation. Twelve of the 17 Democrats attended:

Nix	Lehman
Udall	Spellman
Hanley	Harris
White	Solarz
Ford	Heftel
Clay	Metcalfe

Five did not attend:

Wilson
Schroeder
Myers
Garcia (who we knew was out of town this morning)
Ryan (also out of town)

They are working from a Committee staff-prepared "point paper" which consists of one-liner suggestions for changes in all titles of the Administration's bill.

Nix chaired the caucus and kept things moving in an orderly fashion. Udall is actively participating in the whole process of reaching a consensus. Reports are that the caucus was orderly, hard-working, and they were clearly making progress. Though not scheduled, they reconvened at 3:00 PM with at least nine Members returning; they will meet at 10:00 AM tomorrow to continue until they have gone through the bill.

At this point the caucus has not discussed the labor-management title or the Clay proposal to add the Hatch Act bill to the Reform legislation.

ADMINISTRATIVELY CONFIDENTIAL

We are not privy to positions that individual Members took at the caucus or to agreements reached on issues; however, Udall has provided Scotty Campbell a copy of the "point paper" they are working from (with the caveat that it be "held close" and hopefully that other Members of the Committee do not know that he has provided us with it). Most of the changes are not a radical departure from our proposal. We are not working completely in the dark and are encouraged at the progress being made.